

TSAC Update

Helping Students Achieve Their Goals Since 1974

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More Money for More Students

With the close of the 2007 legislative session, more students can look forward to more money for college. However, beyond an increase in award amount, no regulatory or rule changes were made to the Tennessee Education Lottery Scholarship (TELS) or Tennessee Student Assistance Award (TSAA) programs, allowing for a smoother transition into the 2007-08 academic year.

The increase in award for the TSAA program is long overdue. This program, awarding the neediest of Tennessee students, has suffered from budget cuts and reversion for the last several years. However, this year, Governor Bredesen's budget included \$3.8 million from state appropriations to the TSAA program. Another \$10 million, a one-time amount, was added to the program from the lottery surplus, making a total of \$13.8 million in additional funding for the TSAA program for the 2007-08 academic year.

Naomi Derryberry, director of grant programs and long-time advocate for the TSAA program, is delighted. "Prior to this increase, we were not able to fund everyone at the March 1 cut-off, however with this additional funding we made awards through March 21 for 2007-08." She goes on to say, "I am absolutely thrilled to see more of the neediest students afforded a chance at a brighter future."

The TELS program recipients fared well this legislative session as well. With the increase in award amounts, students have an even larger incentive to study hard. Next year's awards for the program are as follows:

- ◆ Basic HOPE award for four-years \$4,000
- ◆ Basic HOPE award for two-years \$2,000
- ◆ HOPE Access Grant for four-years \$2,750
- ◆ HOPE Access Grant for two-years \$1,750
- ◆ Wilder-Naifeh Technical Skills Grant for TTCs \$2,000

With nearly 60 bills introduced to change or enhance the aid programs offered by TSAC, the financial aid community could have faced one of the busiest fall terms yet. Even so, the students reaped the most benefit from the changes made this year and we'll all be able to help more of them achieve their dream of a brighter future.

In This Issue

- ▶ More Money for More Students Page 1
- ▶ Understand Defaulted Write Off on NSLDS Page 2
- ▶ A Message from the Director's Corner Page 2
- ▶ TSAC Employment Opportunities Page 2
- ▶ Meet TSAC's "CFO" Page 3
- ▶ TSAC Welcomes New Financial Analyst Page 3
- ▶ Get Ready for TSAC's Board Meeting! Page 3
- ▶ Join Us for Financial Aid Training Page 4
- ▶ e*CLIPS Enhanced in June Page 4
- ▶ Upcoming Events & Conferences Page 4

Understand Defaulted Write Off on NSLDS

On defaulted student loan(s), a student borrower or parent borrower may request a settlement agreement on their student loan debt. When this is agreed to by TSAC, we would write off the remaining balance and inform the student borrower or parent borrower that if the student returns to school in the future, they must agree to repay the amount previously written off in the settlement agreement.

Once the agreed upon amount to settle the account has been received and the remaining balance is written off, TSAC will stop all collections activity, notify the credit bureaus the account has been closed, and update NSLDS. The loan(s) in question are then coded on NSLDS as a Defaulted Write Off (DW). The DW status on NSLDS prevents a student borrower or parent borrower from receiving any additional Title IV aid until the remaining balance has been reaffirmed as stated in 34 CFR 682.201(a)(4).

Any future loan guarantee requests for students whose prior loans are in a DW status would reject until the loan balance (previously written off) is cleared.

TSAC EMPLOYMENT OPPORTUNITIES

Current Employment Opportunities:

- Student Information Systems Analyst
- Telephone Counselor

Please visit our website (<http://www.state.tn.us/tsac/employment.htm>) to learn more.

A Message from the Director's Corner



WOW! As you read on the front page of this newsletter, Tennessee is in store for some significant increases in student aid in 2007-08! TSAC staff and board members are excited and grateful to Governor Bredesen and the Tennessee General Assembly for making it happen.



The \$13.8 million increase in TSAA funding is unprecedented, and will help many thousands of additional Tennesseans attend college. As you know, TSAA is a first-come, first-served program, and available funds were to run out for students who applied after March 1. But with the additional appropriation, we expect to be able to support students who applied as much as three weeks after that date. \$10 million of the increase comes from interest earned on the lottery reserve.

On the lottery scholarship side, the HOPE scholarship for students at 4-year schools has increased to \$4,000/year, while the HOPE scholarship at community colleges and the Wilder-Naifeh Technical Skills grant have both increased to \$2,000/year.

In the early days of the legislative session, more than fifty bills were filed to modify existing student aid programs or create new programs funded by lottery revenue. As the session progressed, the various proposals were concentrated in a House Omnibus Bill and a Senate Omnibus Bill. In the end, the House and Senate were unable to reconcile the differences between their two omnibus bills, and no further changes to lottery-funded programs were passed.

But the next session of the General Assembly is only six months away, and we expect continued interest in modifying and expanding lottery programs. Possible topics include the GPA requirement for HOPE renewal, institutional vs. lottery GPA, benchmarks, non-traditional students, overall credit hour limitation, summer school, expansion of the Aspire-eligible population, and development of an early commitment program. TSAC expects to facilitate discussion of these topics in advance of the next session.

Please remember to thank Governor Bredesen and your local legislators for their work in making college more affordable for Tennessee citizens.

Bob Ruble

Meet TSAC's "CFO"



the state audit division for nearly 14 years.

He's no stranger to higher education, having worked at the University of Tennessee at Knoxville and Texas A&M University. He also currently teaches economics and accounting at David Lipscomb University.

Mason and his wife Cindy have two children, Robert Lee, a junior at David Lipscomb High School, and Barbara Lee, a 7th grader at Lipscomb Middle School. He says that a great deal of his

spare time is spent attending sports activities that his children are involved in, namely cross country running, track and basketball. Mason jogs as well, but notes, "I'd hardly call that a favorite pastime." He does, however, enjoy all kinds of music except for opera. That includes rock and roll from the 60s and 70s, traditional country, big band and Dixieland jazz.

TSAC doesn't formally have a chief financial officer position, but it does have Mason Ball, the agency's new Associate Executive Director for Business Affairs. Mason recently stepped into the position after the retirement of Dan Lee. Before that, Mason was TSAC's internal auditor since January 2006. Prior to that, he worked for

Comments from Mason:

I'm pleased about my new role in the Business Affairs department. From an accounting standpoint, TSAC is a complex machine with lots of moving parts, so this is an exciting challenge. I'm also grateful to have such strong support from my staff during this transition—they are integral to our operational and fiscal integrity.

TSAC Welcomes New Financial Analyst

TSAC's loan administration department would like to welcome Douglas Cullum as its new Financial Analyst. Doug has been an integral part of TSAC for four years, where he worked with the business affairs department as the Accounting Manager. His knowledge of the inner workings of TSAC and student financial aid has proven to be an asset to our agency. Doug is currently working on



obtaining his Masters of Accounting at Middle Tennessee State University. Please join us in congratulating Doug on his new position and wishing him continued success.

Get Ready for TSAC's Board Meeting!

TSAC's Board of Directors meeting will take place on Thursday, September 27, 2007 from 1:00 p.m. to 3:00 p.m. in

the 18th floor conference room of the James Robertson Parkway Towers. The meeting agenda will be posted online after

September 17 with hard copies mailed to board members and alternate designees.

Join Us for Financial Aid Training

T SAC will be training new financial aid staff on July 27, 2007. The sessions for the day include 2008-09 FAFSA overview and changes, verification process, student eligibility, state grants and scholarships and lottery scholarship updates. In addition to the informational sessions, e*GRandS training will be included as the last session of the day.

The training will be at TSAC's Nashville office at 404 James Robertson Parkway. Refreshments will be served from 8:30 a.m. to 9:00 a.m. and the training session will start at 9:00 a.m. The state grants and scholarships and lottery sessions will start at 1:00 p.m. Lunch will be provided. Seating is limited.

Please R.S.V.P. to Karen Myers your plans for you or your staff to attend the workshop. The deadline for reserving your space is July 13, 2007. Karen can be contacted by calling (800) 291-2675 ext.134 or her direct line (615) 253-7444. Her e-mail address is Karen.Myers@state.tn.us.

e*CLIPS Enhanced in June

THE FOLLOWING ARE CHANGES MADE TO E*CLIPS:

- When downloading a disbursement file, the format type now defaults to CommonLine Version 4.
- An option was added to the PNote Not Verified Report to filter out cancelled loans.
- The purge criteria for loans in Incomplete and Suspended status only was changed from 120 days after the submit date to 120 days after the loan period end date. The purge criteria did not change for loans not containing a loan period end date.
- The school and lender name was added to the Ready to Certify Report which previously showed only the institution code.
- MSLP was removed from the disbursement download agency criteria.
- When a lender prom note verifies either the subsidized or unsubsidized portion of a combo loan, the transaction will be applied to the other portion of the loan as well.

If you have questions regarding these enhancements or suggestions for making e*CLIPS or the SSCH process better, please contact the Guarantor Solutions Help Desk at (800) 535-4357.

Upcoming Events & Conferences

- 07/27/07
TSAC Financial Aid Training
Nashville, TN
- 09/27/07
TSAC Board of Directors Meeting
Nashville, TN
- 10/21/07 - 10/23/07
TASFAA Fall Conference
Franklin, TN
- 02/17/08 - 02/20/08
SASFAA Conference
Arlington, VA